

**Agricultural Adjustment Act of 1938** (P.L. 75-430). This law established permissive supports for tobacco and authorized marketing quotas, with a penalty for growers exceeding them. Two-thirds or more of tobacco growers' approval is necessary for marketing quotas for any kind of tobacco. Beginning with World War II, growers received price support, initially according to the parity price formula. The authority to establish marketing quotas under this Act continues in use today.

**Agricultural Act of 1948** (P.L. 80-897). This law made price support mandatory at 90 percent of parity for tobacco and other "basic" crops. It also provided that beginning in 1950, parity be reformulated to take into consideration average prices of the previous 10 years, as well as the 1910-14 base period.

**Agricultural Act of 1949** (P.L. 81-439). This law, along with the Agricultural Adjustment Act of 1938, makes up the major part of permanent agricultural legislation which is still effective in an amended form.

**Agricultural Act of 1956** (P.L. 84-540). This law authorized the Soil Bank Act, which authorized the Acreage Reserve Program for several types of tobacco and other basic commodities.

**Act of April 16, 1965** (P.L. 89-12). This law provided for acreage-poundage quotas for flue-cured tobacco instead of farm acreage allotments alone.

**Act of April 14, 1971** (P.L. 92-10). This law provided for poundage quotas for burley tobacco in place of farm acreage allotments.

**Act of June 6, 1972** (P.L. 92-311). This law authorized lease and transfer for flue-cured and burley tobacco on a permanent basis.

**No-Net-Cost Tobacco Program Act of 1982** (P.L. 97-218). This law required that to be eligible for price support, producers of all kinds of tobacco, beginning with the 1982 crop, had to contribute to a fund or pay assessments to an account established by the cooperative association that makes Federal support loans available to producers. The funds are collected to cover potential losses in operating the price support program.

**Dairy and Tobacco Adjustment Act of 1983** (P.L. 98-180). This law froze tobacco price supports and authorized a voluntary dairy diversion program and a dairy promotion program. This law abolished lease and transfer of flue-cured tobacco beginning in 1987.

**Consolidated Omnibus Budget Reconciliation Act of 1985** (P.L. 99-272). This law canceled the flue-cured and burley tobacco quotas previously announced for the 1986 marketing year and gave the Secretary of Agriculture the authority to establish 1986 and subsequent quotas and price supports using new, more market-oriented formulas.

**Omnibus Budget Reconciliation Act of 1987** (P.L. 100-203). This law permitted limited lease and transfer of flue-cured tobacco quotas under disaster conditions. The law also reduced effective price support levels in 1988-89.

**Omnibus Budget Reconciliation Act of 1990** (P.L. 101-508). This law established an annual assessment (1 percent of the national loan rate) on all marketings of tobacco. The assessment is divided equally between growers and purchasers.

**The Food, Agriculture, Conservation, and Trade Act of 1990** (P.L. 101-624). This law required all exporters of tobacco leaf and products to report export sales to the Secretary of Agriculture no later than 60 days after the shipment.

**The Farm Poundage Quota Revisions Act of 1990** (P.L. 101-577). This law permitted the sale of burley tobacco quotas within counties and established regulations affecting the purchase and sale of quotas. Lease and transfer across county lines was authorized in Tennessee if approved by producers.

**Omnibus Budget Reconciliation Act of 1993** (P.L. 103-66). This law requires U.S.-manufactured cigarettes to contain at least 75 percent U.S.-grown tobacco, imposes budget-deficit and "no-net-cost" assessments on importers during the 1994-98 marketing years, and extends to 1996 a provision in previous law that limits the reduction in the national marketing quota for flue-cured and burley to no more than 10 percent each year. The Secretary of Agriculture may waive the 10-percent quota reduction limit if loan stocks exceed 150 percent of the reserve stock level.

**Appendix table 1—Tobacco: Acreage, yield, production, stocks, supply, disappearance, United States, 1970-93 (farm-sales weight)**

Crop year <sup>1</sup>	Acreage	Yield per acre	Production	Stocks	Supply	Disappearance <sup>1</sup>		
						Total	Domestic	Exports
	<i>1,000</i>	<i>Pounds</i>	<i>-----Million pounds-----</i>					
1970	898	2,122	1,906	3,678	5,584	1,917	1,278	639
1971	839	2,034	1,705	3,667 <sup>2</sup>	5,372	1,883	1,312	571
1972	842	2,076	1,749	3,488 <sup>2</sup>	5,237	1,951	1,312	639
1973	889	1,963	1,746	3,289 <sup>2</sup>	5,035	2,080	1,348	732
1974	963	2,067	1,994	2,948 <sup>2</sup>	4,942	1,937	1,284	653
1975	1,083	2,015	2,182	3,003 <sup>2</sup>	5,185	1,941	1,286	655
1976	1,045	2,045	2,136	3,297	5,433	1,907	1,229	678
1977	958	1,997	1,913	3,540 <sup>2</sup>	5,452	1,895	1,202	693
1978	948	2,135	2,054	3,560 <sup>2</sup>	5,584	1,955	1,190	765
1979	827	1,845	1,527	3,601 <sup>2</sup>	5,128	1,869	1,175	694
1980	921	1,940	1,786	3,259	5,045	1,758	1,109	649
1981	976	2,114	2,064	3,286	5,350	1,762	1,065	697
1982	913	2,185	1,994	3,588 <sup>2</sup>	5,582	1,662	1,034	628
1983	789	1,811	1,429	3,920 <sup>2</sup>	5,349	1,532	936	596
1984	792	2,183	1,728	3,817	5,545	1,621	955	666
1985	688	2,196	1,511	3,924 <sup>2</sup>	5,435	1,620	1,000	620
1986	582	1,998	1,163	3,815 <sup>2</sup>	4,978	1,572	981	591
1987	587	2,028	1,191	3,406 <sup>2</sup>	4,597	1,688	1,115	573
1988	634	2,160	1,370	2,909 <sup>2</sup>	4,279	1,565	1,010	555
1989	678	2,016	1,367	2,714 <sup>2</sup>	4,081	1,678	1,096	582
1990	733	2,218	1,625	2,401 <sup>2</sup>	4,026	1,794	1,163	631
1991	764	2,179	1,664	2,232 <sup>2</sup>	3,896	1,616	976	640
1992	784	2,195	1,722	2,280 <sup>2</sup>	4,002	1,590	960	630
1993	746	2,163	1,613	2,412 <sup>2</sup>	4,025	1,438	900	538

<sup>1</sup>For flue-cured and cigar wrapper, year beginning July 1; for all other types, October 1. <sup>2</sup>Includes tobacco carried over on farms.

**Appendix table 2—Estimated unstemmed-processing weight of leaf used for cigarettes by kinds of tobacco, 1970-93**

Calendar year	Flue-cured	Burley	Maryland	Imported	Total
	<i>Pounds per 1,000 cigarettes</i>				
1970	0.940	0.686	0.047	0.279	1.952
1971	.923	.669	.042	.286	1.920
1972	.926	.686	.027	.322	1.961
1973	.913	.672	.022	.304	1.911
1974	.880	.658	.020	.335	1.893
1975	.842	.645	.038	.355	1.880
1976	.816	.607	.031	.342	1.796
1977	.789	.608	.024	.363	1.784
1978	.739	.589	.027	.408	1.763
1979	.701	.587	.031	.494	1.813
1980	.671	.570	.031	.490	1.762
1981	.606	.547	.027	.520	1.700
1982	.608	.559	.040	.519	1.726
1983	.603	.550	.040	.582	1.775
1984	.587	.492	.043	.585	1.707
1985	.610	.502	.042	.595	1.749
1986	.578	.495	.040	.635	1.748
1987	.578	.477	.035	.631	1.720
1988	.608	.522	.035	.564	1.729
1989	.635	.478	.032	.543	1.688
1990	.670	.499	.030	.533	1.732
1991	.622	.522	.023	.608	1.775
1992 <sup>1</sup>	.575	.431	.022	.723	1.751
1993 <sup>1</sup>	.561	.442	.020	.831	1.853

<sup>1</sup>Subject to revision.

**Appendix table 3—Expenditures for tobacco products, 1970-93<sup>1</sup>**

Year	Total	Cigarettes	Cigars <sup>2</sup>	Other <sup>3</sup>
		<i>Million dollars</i>		
1970	11,544	10,448	707	389
1971	12,155	11,040	700	415
1972	12,910	11,765	720	425
1973	13,485	12,325	730	430
1974	14,475	13,270	705	500
1975	15,405	14,250	680	475
1976	16,400	15,100	675	625
1977	17,190	15,850	665	675
1978	18,030	16,600	680	750
1979	19,150	17,650	670	830
1980	21,000	19,400	670	930
1981	22,950	21,200	710	1,040
1982	25,310	23,525	685	1,100
1983	28,710	26,840	705	1,165
1984	30,355	28,400	745	1,210
1985	31,735	29,800	685	1,250
1986	33,170	31,200	670	1,300
1987	34,580	32,600	620	1,360
1988	36,825	34,700	640	1,485
1989	39,675	37,400	675	1,600
1990	41,920	39,500	695	1,725
1991	45,395	42,850	705	1,840
1992	48,470	45,790	715	1,965
1993 <sup>4</sup>	48,945	46,150	720	2,075

<sup>1</sup>Expenditures exclude sales tax. <sup>2</sup>Includes small cigars (cigarette-size). <sup>3</sup>Smoking tobacco, chewing tobacco, and snuff. <sup>4</sup>Subject to revision.

**Appendix table 4—Government revenues from tobacco products, 1970-93**

Year	Excise taxes			Total excise taxes
	Federal	State	Local	
	<i>Million dollars</i>			
1970	2,170	2,458	134	4,762
1971	2,154	2,637	154	4,945
1972	2,194	2,951	179	5,324
1973	2,460	3,126	145	5,731
1974	2,362	3,287	113	5,762
1975	2,302	3,369	119	5,790
1976	2,374	3,445	125	5,944
1977	2,382	3,580	131	6,093
1978	2,580	3,642	132	6,354
1979	2,448	3,700	132	6,280
1980	2,609	3,820	134	6,563
1981	2,579	3,895	150	6,624
1982	2,525	4,060	150	6,735
1983	4,646	4,092	164	8,902
1984	4,772	4,335	179	9,286
1985	4,574	4,492	193	9,259
1986	4,837	4,676	197	9,710
1987	4,735	4,850	198	9,783
1988	4,455	4,842	195	9,492
1989	4,297	5,303	192	9,792
1990	4,215	5,815	190	10,220
1991	5,094	6,130	185	11,409
1992	5,185	6,200	195	11,580
1993 <sup>1</sup>	5,725	7,000	200	12,925

<sup>1</sup>Subject to revision.

**Appendix table 5—U.S. cigarette output, removals, and consumption, 1970-93**

Year	Output	Taxable removals	Shipments to		Exports	Consumption <sup>3</sup>
			Overseas forces <sup>1</sup>	Puerto Rico and others <sup>2</sup>		
<i>Billion cigarettes</i>						
1970	583.2	532.8	18.4	3.7	29.2	536.4
1971	576.4	528.9	14.7	2.7	31.8	555.1
1972	599.1	551.0	12.3	2.1	34.6	566.8
1973	644.2	590.3	12.4	2.0	41.5	589.7
1974	635.0	576.2	10.4	1.9	46.9	599.0
1975	651.2	588.3	10.6	1.5	50.2	607.2
1976	693.4	617.9	8.8	1.9	61.4	613.5
1977	665.9	592.0	10.2	1.1	66.8	617.0
1978	695.9	614.2	9.6	1.2	74.4	616.0
1979	704.4	614.0	13.0	1.1	79.7	621.5
1980	714.1	620.5	11.1	1.1	82.0	631.5
1981	736.5	638.1	8.4	1.0	82.6	640.0
1982	694.2	614.1	7.5	1.0	73.6	634.0
1983	667.0	597.5	8.1	.9	60.7	600.0
1984	668.8	597.8	9.8	.8	56.5	600.4
1985	665.3	595.0	6.9	.7	58.9	594.0
1986	658.0	583.1	9.2	.8	64.3	583.8
1987	689.4	577.2	10.2	.8	100.2	575.0
1988	694.5	543.4	9.4	.8	118.5	562.5
1989	677.2	525.8	6.5	.8	141.8	540.0
1990	709.7	523.2	13.7	.8	164.3	525.0
1991	694.5	497.1	13.7	.8	179.2	510.0
1992	718.5	509.4	6.6	.8	205.6	500.0
1993	661.0	463.4	5.7	.8	195.5	485.0

<sup>1</sup>Also includes ship stores and small tax-exempt categories. <sup>2</sup>Includes Virgin Islands, Guam, American Samoa, Wake, Canton, and Enderburg Island. <sup>3</sup>Allows for estimated inventory change for 1971 through 1993.

**Appendix table 6—Cigarette consumption per capita by persons 18 years and older and pounds of tobacco used in cigarettes, United States (including overseas forces), 1970-93**

Year	Cigarettes	Weight of tobacco <sup>1</sup>
	<i>Number</i>	<i>Pounds</i>
1970	3,985	7.77
1971	4,037	7.75
1972	4,043	7.95
1973	4,148	7.92
1974	4,141	7.90
1975	4,123	7.73
1976	4,092	7.35
1977	4,051	7.21
1978	3,967	6.89
1979	3,861	7.00
1980	3,849	6.78
1981	3,836	6.52
1982	3,739	6.45
1983	3,488	6.19
1984	3,446	5.89
1985	3,370	5.90
1986	3,274	5.72
1987	3,197	5.50
1988	3,096	5.35
1989	2,926	4.93
1990	2,817	4.76
1991	2,713	4.70
1992	2,640	4.69
1993	2,539	4.45

<sup>1</sup>Unstemmed processing weight.

**Appendix table 7—U.S. and world production and exports of flue-cured, burley, and all unmanufactured tobacco, 1970-93**

Year	Flue-cured			Burley			All tobacco		
	United States	World total	United States as % of total	United States	World total	United States as % of total	United States <sup>1</sup>	World total	United States as % of total
	--- Million pounds ---		Percent	--- Million pounds ---		Percent	--- Million pounds ---		Percent
Production (farm-sales weight)									
1970	1,193	3,937	30	561	906	62	1,912	10,021	19
1971	1,078	3,918	28	473	868	55	1,714	9,865	17
1972	1,012	4,076	25	601	1,094	55	1,759	10,155	17
1973	1,157	4,404	27	450	944	48	1,752	10,670	16
1974	1,241	4,788	26	613	1,113	55	1,998	11,385	18
1975	1,415	5,100	28	639	1,240	52	2,186	11,837	18
1976	1,316	5,021	26	679	1,294	52	2,140	12,284	17
1977	1,130	5,816	19	617	1,276	48	1,915	12,499	15
1978	1,232	6,239	20	626	1,311	48	2,207	13,006	16
1979	946	5,448	17	446	1,239	36	1,529	11,876	13
1980	1,086	5,306	20	561	1,265	44	1,788	11,439	16
1981	1,169	6,557	18	730	1,430	51	2,064	13,093	16
1982	1,006	7,872	13	822	1,671	49	1,995	15,149	13
1983	821	6,283	13	481	1,502	32	1,429	13,339	11
1984	865	7,155	12	712	1,704	42	1,728	14,313	12
1985	800	8,233	10	573	1,520	38	1,512	15,419	10
1986	645	6,587	10	408	1,340	30	1,163	13,223	9
1987	691	7,209	10	419	1,288	33	1,191	13,514	9
1988	813	8,691	9	477	1,468	32	1,370	15,096	9
1989	808	9,037	9	483	1,525	32	1,367	15,683	9
1990	939	8,823	11	598	1,610	37	1,626	15,558	10
1991	912	9,884	9	658	1,815	36	1,663	16,771	10
1992	906	11,447	8	720	2,173	33	1,722	18,352	9
1993 <sup>2</sup>	887	11,262	8	634	2,286	28	1,614	18,275	9
Exports (unmanufactured, export weight)									
1970	368	797	46	41	125	33	510	1,838	28
1971	342	831	41	36	128	28	473	1,890	25
1972	425	1,046	41	54	175	31	606	2,341	26
1973	418	1,088	38	59	210	28	613	2,288	27
1974	441	1,232	36	61	265	23	662	3,116	21
1975	391	1,176	33	62	231	27	571	2,854	20
1976	379	1,208	31	68	258	26	587	2,904	20
1977	412	1,238	33	79	291	27	640	2,901	23
1978	455	1,366	33	91	319	29	707	3,119	23
1979	371	1,236	30	82	313	26	567	3,034	19
1980	391	1,359	29	91	336	27	599	2,993	20
1981	386	1,398	28	74	311	24	587	3,271	18
1982	348	1,396	25	104	376	28	575	3,240	18
1983	311	1,362	23	91	425	21	524	3,034	17
1984	350	1,425	25	74	419	18	543	3,119	17
1985	334	1,420	24	102	392	26	549	3,086	18
1986	260	1,269	20	105	396	27	477	2,942	16
1987	225	1,228	18	99	432	23	430	2,968	14
1988	268	1,376	19	103	432	24	482	3,024	16
1989	265	1,374	19	105	439	24	486	3,108	16
1990	289	1,495	19	111	534	21	493	3,736	13
1991	255	1,692	15	136	613	22	499	4,036	12
1992	322	1,899	17	142	659	22	574	3,863	15
1993 <sup>2</sup>	246	1,855	13	114	658	17	458	4,001	11

<sup>1</sup>Includes Puerto Rico. <sup>2</sup>Subject to revision.

**Appendix table 8—Estimated U.S. imports of flue-cured and burley tobacco, and domestic use, 1969-93 (farm-sales weight)**

Year beginning July 1	Flue-cured				Burley			
	Imports	Domestic disappearance	Total use	Imports' share of total	Imports <sup>1</sup>	Domestic disappearance <sup>2</sup>	Total use	Imports' share of total
	----- Million pounds -----		Percent		----- Million pounds -----		Percent	
1969	5.7	645.9	651.6	0.9	3.3	507.1	510.4	0.6
1970	10.6	640.1	650.7	1.6	3.2	503.0	506.2	0.6
1971	11.2	662.5	673.7	1.7	4.6	515.2	519.8	0.9
1972	12.7	664.2	676.9	1.9	8.9	534.5	543.4	1.6
1973	20.4	703.4	723.8	2.8	30.7	533.1	563.8	5.4
1974	23.1	652.3	675.4	3.4	47.7	518.8	566.5	8.4
1975	24.4	670.6	695.0	3.5	46.7	510.1	556.8	8.4
1976	30.8	634.0	664.8	4.6	37.9	489.6	527.5	7.2
1977	55.0	608.2	663.2	8.3	85.4	494.8	580.2	14.7
1978	60.1	584.1	644.2	9.3	89.1	502.8	591.9	15.1
1979	84.8	563.1	647.9	13.1	113.6	498.5	612.1	18.6
1980	72.7	529.4	602.1	11.7	136.9	477.6	614.5	22.3
1981	63.3	488.8	552.1	11.5	109.7	463.9	573.6	19.1
1982	103.1	478.5	581.6	17.7	141.3	444.1	585.4	24.1
1983	94.4 <sup>3</sup>	441.6	536.0	17.6	135.0 <sup>3</sup>	388.7	523.7	25.8
1984	120.1 <sup>3</sup>	454.2	574.3	20.9	163.8 <sup>3</sup>	402.6	566.4	28.9
1985	151.0 <sup>4</sup>	476.5	627.5	24.1	137.8 <sup>4</sup>	425.0	562.8	24.5
1986	176.6 <sup>4</sup>	479.6	656.2	26.9	120.4 <sup>4</sup>	401.7	522.1	23.1
1987	209.7 <sup>4</sup>	537.3	747.0	28.1	162.4 <sup>4</sup>	478.1	640.5	25.4
1988	146.5 <sup>4</sup>	522.1	668.6	21.9	117.9 <sup>4</sup>	414.3	532.2	22.2
1989	109.0 <sup>4</sup>	566.7	675.6	16.1	139.9 <sup>4</sup>	445.7	585.6	23.9
1990	141.2 <sup>4</sup>	609.0	750.2	18.8	134.9 <sup>4</sup>	474.9	609.8	22.1
1991	137.6 <sup>4</sup>	471.2	608.8	22.6	165.6 <sup>4</sup>	432.2	597.9	27.7
1992	217.3 <sup>4</sup>	508.7	726.0	29.9	178.8 <sup>4</sup>	384.8	563.6	31.7
1993	193.3 <sup>4</sup>	433.4	626.7	30.8	199.6 <sup>4</sup>	399.5	599.1	33.3

<sup>1</sup>Imports for consumption (duty paid) of leaf, scrap, and manufactured or unmanufactured (beginning 1980), prorated according to reported stocks of imported flue-cured and burley. <sup>2</sup>Marketing year beginning October. <sup>3</sup>General imports adjusted for stocks change. <sup>4</sup>Volume inspected by Agricultural Marketing Service adjusted for stocks change.

**Appendix table 9—Average prices and support levels for tobacco, 1970-94**

Crop year <sup>1</sup>	Flue-cured		Burley		Average price received all tobacco
	Price received	Support rate	Price received	Support rate	
	<i>Cents per pound</i>				
1970/71	72.0	66.6	72.2	68.6	72.9
1971/72	77.2	69.4	80.9	71.5	78.6
1972/73	85.3	72.7	79.2	74.9	83.0
1973/74	88.1	76.6	92.9	78.9	90.0
1974/75	105.0	83.3	113.7	85.9	108.6
1975/76	99.8	93.3	105.5	96.1	102.6
1976/77	110.4	106.0	114.2	109.3	112.5
1977/78	117.6	113.8	120.0	117.3	118.6
1978/79	135.0	121.0	131.2	124.7	132.4
1979/80	140.0	129.3	145.2	133.3	141.1
1980/81	144.5	141.5	165.9	145.9	152.3
1981/82	166.4	158.0	180.7	163.6	170.6
1982/83	178.5	169.9	181.0	175.1	176.4
1983/84	177.9	169.9	177.3	175.1	174.6
1984/85	181.1	169.9	187.6	175.1	180.6
1985/86	171.9 <sup>2</sup>	169.9	159.4	148.8	164.5
1986/87	152.7	143.8	156.5	148.8	152.2
1987/88	158.7	143.5	156.3	148.8	157.1
1988/89	161.3	144.2	161.0	150.0	164.6
1989/90	167.4	146.8	167.2	153.2	170.8
1990/91	167.3	148.8 <sup>3</sup>	175.3	155.8	173.8
1991/92	172.3	152.8	178.8	158.4	177.3
1992/93	172.6	156.0	181.5	164.9	177.7
1993/94	168.1	157.7	181.6	168.3	175.3
1994/95	170.3	158.3	184.1	171.4	178.2 <sup>4</sup>

<sup>1</sup>Year beginning July 1 for flue-cured and cigar wrapper; October 1 for all other types. <sup>2</sup>Excludes 25-cent per pound rebate to buyers. <sup>3</sup>Excludes Gramm-Rudman-Hollings adjustment. <sup>4</sup>Estimated.

**Appendix table 10—Use and ending stocks for U.S. tobacco, types 11-62, 1970-93**

Crop year <sup>1</sup>	Domestic	Exports	Total	Stocks	Stocks-to-use ratio
			<i>Million pounds</i>		
1970	1,278	639	1,917	3,678	1.91
1971	1,312	571	1,883	3,667 <sup>2</sup>	1.85
1972	1,312	639	1,951	3,488 <sup>2</sup>	1.69
1973	1,348	732	2,080	3,289 <sup>2</sup>	1.42
1974	1,284	653	1,937	2,948 <sup>2</sup>	1.55
1975	1,286	655	1,941	3,003 <sup>2</sup>	1.70
1976	1,229	678	1,907	3,297	1.86
1977	1,202	693	1,895	3,540 <sup>2</sup>	1.87
1978	1,190	765	1,955	3,560 <sup>2</sup>	1.84
1979	1,175	694	1,869	3,601 <sup>2</sup>	1.74
1980	1,109	649	1,758	3,259	1.87
1981	1,065	697	1,762	3,286	2.04
1982	1,034	628	1,662	3,588 <sup>2</sup>	2.36
1983	936	596	1,532	3,920 <sup>2</sup>	2.49
1984	955	666	1,621	3,817	2.42
1985	1,000	620	1,620	3,924 <sup>2</sup>	2.35
1986	981	591	1,572	3,815 <sup>2</sup>	2.17
1987	1,115	573	1,688	3,406 <sup>2</sup>	1.72
1988	1,010	555	1,565	2,909 <sup>2</sup>	1.73
1989	1,096	582	1,678	2,714 <sup>2</sup>	1.43
1990	1,163	631	1,794	2,401 <sup>2</sup>	1.24
1991	976	640	1,616	2,232 <sup>2</sup>	1.41
1992	960	630	1,590	2,280 <sup>2</sup>	1.56
1993	900	538	1,438	2,412 <sup>2</sup>	1.52

<sup>1</sup>For flue-cured and cigar wrapper, year beginning July 1; for all other types, October 1. <sup>2</sup>Includes tobacco carried over on farms.

**Appendix table 11—Farm-related program costs for tobacco, 1970-93**

Fiscal year	Commodity export payment <sup>1</sup>	Loan operations		Net price support and related expenditures
		Outlays <sup>2</sup>	Repayments	
<i>Million dollars</i>				
1970	29.5	217.9	132.7	114.7
1971	29.1	163.1	123.6	68.6
1972	26.7	59.7	272.6	-186.2
1973	27.8	51.4	242.1	-162.9
1974	13.7	37.6	269.1	-217.8
1975	3.1	30.2	162.5	-129.2
1976 <sup>3</sup>	--	467.0	94.9	372.1
1977	--	285.3	124.4	160.9
1978	--	282.9	184.9	98.0
1979	--	228.7	71.4	152.0
1980	--	172.0	260.1	-88.0
1981	--	215.2	266.3	-51.1
1982 <sup>4</sup>	--	433.0	329.6	102.3
1983 <sup>5</sup>	--	1,027.8	148.0	872.2
1984 <sup>4</sup>	--	794.6	448.2	346.3
1985 <sup>4</sup>	--	814.7	359.3	454.9
1986 <sup>6</sup>	--	359.8	63.1	172.3
1987 <sup>6</sup>	--	200.3	465.9	-517.2
1988 <sup>6</sup>	--	203.4	657.0	-453.3
1989 <sup>6</sup>	--	40.8	414.4	367.0
1990 <sup>6</sup>	--	101.9	406.0	-307.3
1991 <sup>6</sup>	--	153.0	286.7	-143.4
1992 <sup>6</sup>	--	258.2	205.0	29.2
1993 <sup>6</sup>	--	487.5	230.1	235.4

-- = Less than \$50,000. <sup>1</sup>Excludes P.L. 480 commodity costs. <sup>2</sup>Includes loan and purchases and other outlays. <sup>3</sup>Includes July-September 1976 to allow for shift from July-June to October-September fiscal year. <sup>4</sup>Losses on loan outlays are paid by tobacco growers. <sup>5</sup>Except for burley, losses on loans are paid by growers. <sup>6</sup>Losses on fire-cured and burley outlays are shared by growers and manufacturers. Losses on outlays for other kinds continue to be paid solely by growers.

**Appendix table 12—World production, consumption, exports and ending stocks for tobacco, dry-weight basis, 1970-93**

Calendar year	Production	Consumption	Exports	Imports	Ending stocks	Stocks-to-use ratio
	----- 1,000 metric tons -----					<i>Percent</i>
1970	4,062	4,155	992	1,005	6,081	1.46
1971	4,019	4,278	1,025	1,044	5,836	1.36
1972	4,203	4,359	1,236	1,167	5,609	1.29
1973	4,308	4,505	1,254	1,247	5,401	1.20
1974	4,639	4,573	1,411	1,369	5,428	1.19
1975	4,848	4,698	1,264	1,333	5,651	1.20
1976	4,988	4,833	1,317	1,285	5,777	1.20
1977	5,082	4,729	1,270	1,231	6,092	1.29
1978	5,289	4,789	1,413	1,369	6,547	1.37
1979	4,791	4,836	1,379	1,362	6,485	1.34
1980	4,620	5,036	1,358	1,424	6,136	1.22
1981	5,275	5,226	1,479	1,516	6,208	1.19
1982	6,098	5,536	1,458	1,461	7,150	1.17
1983	5,323	5,343	1,370	1,397	6,377	1.19
1984	5,780	5,761	1,409	1,364	6,436	1.12
1985	6,224	5,882	1,415	1,352	6,346	1.08
1986	5,285	5,950	1,359	1,320	5,733	.96
1987	5,490	5,932	1,350	1,416	5,822	.98
1988	6,069	6,072	1,372	1,334	6,055	1.00
1989	6,311	6,116	1,410	1,359	6,199	1.01
1990	6,295	6,263	1,695	1,617	6,398	1.02
1991	6,755	6,567	1,831	1,776	5,565	1.00
1992	7,369	6,803	1,752	1,806	7,183	1.06
1993	7,427	6,979	1,815	1,741	7,558	1.08

**Appendix table 13—Tobacco production, trade, and ending stocks: World and United States, dry-weight basis, 1970-93**

Year	Production			Exports			Ending stocks		
	World	United States	U.S. share	World	United States	U.S. share	World	United States	U.S. share
	<i>-- Million pounds --</i>		<i>Percent</i>	<i>-- Million pounds --</i>		<i>Percent</i>	<i>-- Million pounds --</i>		<i>Percent</i>
1970	8,955	1,720	19.2	2,186	516	23.6	13,406	3,890	29.0
1971	8,860	1,543	17.4	2,259	479	21.2	12,865	3,694	28.7
1972	9,266	1,578	17.0	2,724	613	22.5	12,366	3,548	28.7
1973	9,497	1,574	16.6	2,764	625	22.6	11,907	3,277	27.5
1974	10,227	1,794	17.5	3,112	662	21.3	11,967	3,265	27.3
1975	10,688	1,968	18.4	2,787	571	20.5	12,457	3,447	27.7
1976	10,997	1,927	17.5	2,904	587	20.2	12,736	3,530	27.7
1977	11,204	1,726	15.4	2,801	640	22.8	13,430	3,573	26.6
1978	11,660	1,825	15.7	3,115	707	22.7	14,434	3,579	24.8
1979	10,562	1,376	13.0	3,040	572	18.8	14,297	3,445	24.1
1980	10,185	1,609	15.8	2,993	603	20.1	13,527	3,426	25.3
1981	11,629	1,858	16.0	3,260	587	18.0	13,686	3,586	26.2
1982	13,247	1,784	13.5	3,164	575	18.2	15,346	3,774	24.6
1983	11,735	1,286	11.0	3,021	528	17.5	14,060	3,758	26.7
1984	12,742	1,555	12.2	3,107	543	17.5	14,190	3,801	26.8
1985	13,721	1,361	9.9	3,120	549	17.6	13,990	3,714	25.0
1986	11,651	1,045	9.0	2,996	477	15.9	12,639	3,497	26.3
1987	12,103	1,074	8.9	2,976	430	14.4	12,835	3,274	26.1
1988	13,380	1,233	9.2	3,025	482	15.9	13,349	3,057	22.9
1989	13,913	1,224	8.8	3,108	487	15.7	13,666	3,271	23.9
1990	13,878	1,463	10.5	3,736	493	13.2	14,104	3,160	22.4
1991	14,892	1,498	10.1	3,863	499	12.4	14,474	3,220	22.2
1992	16,245	1,549	9.5	3,863	574	14.9	15,835	3,248	20.5
1993	16,374	1,436	8.8	4,001	458	11.4	16,662	3,271	19.6

**Appendix table 14—Ratio of world tobacco trade to production, stocks to consumption, and U.S. exports to foreign consumption, 1970-93**

Calendar year	World trade to world production	World stocks to world consumption	U.S. exports to foreign consumption
		<i>Percent</i>	
1970	24	146	7
1971	26	136	6
1972	29	129	8
1973	29	120	7
1974	30	119	8
1975	26	120	7
1976	26	120	6
1977	25	129	7
1978	27	137	8
1979	29	134	6
1980	29	122	6
1981	28	119	6
1982	24	129	6
1983	26	119	5
1984	24	112	5
1985	23	108	5
1986	26	96	4
1987	25	98	4
1988	23	100	4
1989	22	101	4
1990	27	102	4
1991	27	100	4
1992	24	106	4
1993	24	108	3

**SUMMARY OF REPORT #AER-710**

**The 1995 Farm Bill**

**Lower Food Use of Peanuts  
Adds New Wrinkle to Policy Debate**

April 1995

Contact: Scott Sanford, (202) 219-0835

**T**he setting for this year's debate on new peanut legislation is much different than the 1990 deliberations, according to a new report from USDA's Economic Research Service. The report, *Peanuts: Background for 1995 Farm Legislation*, notes that peanut food use has been in a decline for several years, the opposite of the situation 5 years ago.

Also, peanut and peanut product imports were an insignificant factor in domestic use and government program performance prior to 1990. But imports are now a growing component of domestic use.

One likely explanation for the continued decline in peanut food use since the 1989/90 peak is a change in consumer preference away from foods seen as high in fat. Another factor could be a price increase following a significant U.S. production shortfall in the 1990/91 season.

These events raise issues about the structure of the U.S. peanut program and its ability to cope with fundamental changes in the supply and demand for peanuts.

The U.S. peanut program originated in the 1930's. Surplus production and increased government costs in the 1970's led to a policy change in the 1977 Farm Act that initiated a two-price poundage quota program. That system was continued under the 1981, 1985, and 1990 farm legislation.

The support price on "quota" peanuts was set at \$631.47 per ton for 1990, \$642.79 for 1991, and \$678.36 for 1994 and 1995. The support price for "additional," or nonquota peanuts (which can be produced and sold in any amount), was put at \$132 for the 1994 and 1995 crops.

Annual net costs of the peanut program averaged \$62 million in the 1970's, \$14 million in the 1980's, and about \$50 million in fiscal years 1991 and 1992.

The history of U.S. demand for peanuts is one of generally rising consumption except for brief downturns in response to high prices resulting from crop shortfalls. The downturn of 5 years ago has not reversed, however.

Peanuts are an important oil crop worldwide. Most peanuts produced in other countries are crushed for oil and protein meal. The United States is the main country producing peanuts used in such edible products as peanut butter, roasted peanuts, and peanut candies.

Unlike the voluntary programs for wheat, feed grains, rice, and cotton, the peanut program is mandatory. The program is binding on all producers if at least two-thirds of the producers voting in a referendum approve it.

**To Order This Report...**

The information presented here is excerpted from *Peanuts: Background for 1995 Farm Legislation*, AER-710, by Scott Sanford and Sam Evans. The cost is \$9.00.

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The 1977 and 1981 peanut programs were designed to reduce government costs, bring domestic supply of quota-supported peanuts more in line with demand, and recognize the possibility of expanding exports. These programs helped move producers toward increased market orientation and, at the same time, eased the transition for the peanut allotment holders and the communities that had become dependent on the old program. A reliable source of high-quality edible peanuts for domestic use and export was maintained. U.S. consumers did not have access to lower priced "additional" peanuts produced in excess of the quota level, and imports were restricted. The 1985 and 1990 peanut programs maintained the same goals as the 1977 and 1981 programs but tied the quota size more closely to domestic demand.

Quota support prices can be adjusted on the basis of cost of production, but increases cannot exceed 5 percent per year. Growers are permitted to lease or purchase quota from quota holders as long as the quota remains in the same county.

Among the significant issues in the current debate over peanut policy are:

- What is an appropriate level for the minimum annual poundage quota?

- Can the U.S. Government continue to be a major purchaser of peanut products at increasing costs, while simultaneously encouraging the potential for excess production and increasing program outlays?
- Can the peanut support rate continue to be ratcheted up despite the divergence between U.S. and world peanut prices?

### **The Farm Bill Backgrounders**

The report on which this summary is based is one of a series of 12 "Background for 1995 Farm Legislation" publications by USDA's Economic Research Service.

Besides peanuts, the topics covered by the reports are wheat, dairy, cotton, rice, feed grains, oilseeds, sugar, tobacco, honey, export programs, and marketing orders and promotions.

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